ORGANISATIONAL BEHAVIOUR MODULE-I

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What Is Organizational Behavior -

Organizational Behavior has included two terms in it. Therefore, these two terms should be detailed first before diving into the title in question.

→ **Organization:** It is a group of people who are collected to work for a common goal with collective efforts. Organization works through two concepts i.e coordination and delegation among its group members. Delegation is necessary to allocate group members with equal work according to their capability, and coordination is required to achieve organizational goal with precision.

→ **Behavior:** It is a verbal or physical response shown by a person as a consequence of the impact of his/her surroundings. Individual Behavior varies in accordance with their mental reactivity to particular circumstances because of their deeply imbibed morals and value system.

→ **Organizational Behavior:** Organizational Behavior is the observation of individual and/or group Behavior in response to the other individuals or group as a whole. It studies Behavior of people or group to know their attitude towards particular circumstances.

NATURE OF ORGANISATIONAL BEHAVIOUR -

Organisational Behaviour (OB) helps firms achieve effectiveness in their activities. Organisations, as stated earlier, comprise people and OB helps in utilising these resources for achieving organisational effectiveness. People generally possess physical strength, skills of some kind, executive skills

and organising abilities. OB helps harness these qualities and use them for achieving organisational goals.

Definition and Meaning of OB

Definitions on OB are many. However, three features need to be emphasised in any definition: 1.OB is the study of human behavior

2.The Study is about behavior in organizations.

3.Knowledge about human behaviour would be useful in improving an organisation's effectiveness.

Combining the above three features, OB may be understood to be the study of human behaviour in organisational settings, of the interface between human behaviour and the organisation and of the organisation itself. Knowledge gained from such a study is useful in improving organisational effectiveness.

The following definitions are appropriate: OB refers to the behaviour of individuals and groups within organisations and the interaction between organisational members and their external environments. OB is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness.

To sum up, OB obviously comprises individual behaviour, group behaviour and of the organisation itself. Understanding of the subject is complete when all the three are studied carefully. The study of individual behaviour alone is incomplete because the actions of the employee influence and are influenced by the organisation where he or she works. Again, studying only organisations without learning about the people amounts to looking at only a part of the picture.

SCOPE OF ORGANISATIONAL BEHAVIOUR

Organisational behaviour, as mentioned earlier, is the study of human behaviour within organisations. The subject

encompasses the study of individual behaviour, interpersonal behaviour, and of the organisations themselves. Intrapersonal behaviour covers such aspects as personality, attitude, perception, learning, opinion, motivation, job satisfaction, and stress management. Interpersonal behaviour includes group dynamics, team dynamics, intergroup conflict, leadership, communication, transaction analysis, and the like. About organisations, the study covers such aspects as their formation, structures, effectiveness and formal and informal organisations. These three levels of analysis are not necessarily mutually exclusive. The field of organisational behaviour embraces them as being complementary. In the past, these three levels of analysis were pursued with little co-ordination by behavioural scientists. Now, however, a major contribution of those interested in OB is

the attempt to integrate these three levels of analysis, although this will require much effort. The individual focus is no more important or valuable to the manager within an organisation than is the group or formal organisational focus. There is no need to choose one level of analysis and exclude the others. Managers in business, health care, education, government, and religious organisations all have problems in common that require an interdisciplinary approach. This can be provided by OB because it emphasises on all these levels of analysis — the individual, the group, and the formal organisation.

1)People: This element is the soul of the Organization because people work to achieve the target of Organization and Organization works to fulfill the needs of individual or group of individuals. The word ‘people’ can be anyone who is working inside the Organization, like employees or any external person like supplier, customer, auditor, or any government official.

2)Structure: It is the body of the Organization which is to be taken care of to bring coordination between different levels of Organization, because Organization does not work

aloof and is dependent on people which again work on the concept of division of labor. So, there is always a hierarchy in Organization which if not properly dealt with can mess the system because of nil scrutiny and flow of control.

3)Technology: Organizations work on technologies to help people in efficiently doing their work. Same technology does not apply to each Organization but different Organizations demand different technologies for their different line of businesses e.g bank needs mediating technology which connects customers and bankers, Manufacturing companies need long linked technology because of their assembly line process, and hospitals work on intensive technology because of their responsibility to provide specialized services in terms of doctors and medical equipments.

4)Environment: Organizations are influenced by the environment in which they work, at a substantial level. Environment is important to Organizations because of the following factors:

Supply and demand comes from this environment.

Human resource, competitors, government agencies, unions, and political parties comes from environment in which Organization is surviving.

The Organizations have to follow rules and regulations fostered by this environment.

Importance of Organizational Behavior:

1. It builds better relationship by achieving people's, organizational, and social objectives.

2. It covers a wide array of human resource like behavior, training and development, change management, leadership, teams etc.

3. It brings coordination which is the essence of management.

4. It improves goodwill of the organization.

5. It helps to achieve objectives quickly.

6. It makes optimum utilization of resources.

7. It facilitates motivation.

8. It leads to higher efficiency.

9. It improves relations in the organization.

10. It is multidisciplinary, in the sense that applies different techniques, methods, and theories to evaluate the performances.

Relationship Between Organizational Behavior & Individual -

Organizational behavior refers to the way that people, either as individuals or in groups, behave within the context of an organization. Psychological theories, meanwhile, seek to explain the reasons people behave as they do. The intersection of organizational behavior and psychological theory provides insight into why people act as they do in the context of work. Such insight can help leaders create environments conducive to better performance. Specific psychological theories have different relationships with organizational behaviors.

Motivation

Motivation in employees allows them to sustain effort in a particular direction for some period of time. Naturally, management wants motivated employees. But, motivated by what and to what end? Psychological theory often attempts to explain motivation through evaluating people's needs. In Maslows' theory, for instance, needs are ordered from those of basic survival to metaphysical fulfillment. The lowest unmet need, according to theory, is the one driving an individual's

behavior. Meshing the motivations of employees with a company's needs can help leaders achieve goals.

Reciprocity

Social exchange theory refers to cooperative, reciprocal behavior that emerges when a person is the recipient of some benefit. A relationship begins when a benefactor bestows something upon another and the recipient, in turn, returns the favor by becoming the benefactor. As the exchange of benefits continues, the relationship grows, built on a sense of mutual obligation and an implied contract. In terms of organizational behavior, social exchange theories predict that those in leadership roles can garner employee backing for company agendas if those employees are treated favorably. If an organization breaks its contract by not keeping benefits up, employees may feel released from their contract with the employer at the cost of loyalty and effort on the company's behalf.

Positivity

The advent of the 21st century saw the development of a new way of approaching organizational behavior. Instead of trying to eliminate the negative, current psychological theory looks at accentuating the positive. This new study falls under the positive psychology movement. Phrases such as "positive organizational behavior" or "positive organizational psychology" are used when positive psychology is applied to organizational behavior. Applied that way, it looks at the positive psychological capital of an organization -- in other words, this new theoretical approach emphasizes what's right and figures out where it comes from so an organization can propagate more of the same. Confidence, hope, resiliency and optimism -- these are the important positive psychological traits that lay behind constructive activity and organizational behavior. This capital can belong to individuals, groups, leaders and to the organization itself.

Group Belonging

Social identity theory refers to the identity a person feels as a member of a group. A sense of group belonging can be a powerful force in an organization because people tend to favor others who are of their group as an extension of self. This can be damaging if the social identity is, for instance, based on race or gender. On the other hand, social identity can create a sense of camaraderie among members of a work team and give it a competitive edge.

EVOLUTION OF OB

Five stages are distinct in the evolution of OB: Industrial Revolution, Scientific Management, Human Relations Movement, Hawthorne Studies and OB itself.

Experts of human behaviour have tried to chronicle the growth of the subject only from the

beginning of the 19th century. The early part of the 19th century is significant because it was

during this period that the Industrial Revolution took place that resulted in the total transformation of the then industrial environment.

Industrial Revolution: Industrial Revolution brought about materialism, discipline, monotony, boredom, job displacement, impersonality, work interdependence, and related behavioural phenomena. Nevertheless, the Industrial Revolution was responsible for planting the seed for potential improvement. Industry created surplus of goods and knowledge that eventually gave workers increased wages, shorter hours, and more work satisfaction. In this new industrial environment Robert Owen, a young Welsh factory owner, about the year 1800, was one of the first to emphasise the human needs of employees. He refused to employ young children. He taught his workers cleanliness and temperance and improved their working conditions. Owen could demonstrate in his own factory that it paid to devote

as much attention
to ‘vital machines’ as to ‘inanimate machines’. His methods entitled him to be called the ‘father of personnel management’. This could hardly be called modern organisational behaviour, but
a beginning in that direction was, however made.
In 1835, Andrew Ure published his *The Philosophy of Manufactures,* in which, he included the human factor as one of the factors of production, besides the mechanical and commercial parts. Believing in the importance of the human factor, Ure provided workers with hot tea, medical treatment, and sickness payments.
Nearer home, around this time J.N. Tata took a special interest in the welfare of his workers. He installed the first humidifiers and fire sprinklers in his factories. In 1886, he instituted a pension fund, and in 1895, began to pay accident compensation. He was decades ahead of his time and miles ahead of his competitors. The Empress Mills experiments showed that not only profits but people mattered to him.
The ideas of Owen, Ure and Tata were accepted slowly or not at all, and they often
deteriorated into a paternalistic, do-good-approach than a genuine recognition of the importance of people at work.
Scientific Management: The very mention of scientific management brings Taylor to our
memory. He is appropriately called the ‘father of scientific management’ as he converted broad

generalisations into practical tools. He was also responsible for awakening interest in workers in the 1900s. Taylor advocated the selection of right people for right jobs, training them adequately, placing them in jobs for which they were best suited, and remunerating them handsomely. To be sure, Taylor's goal was technical efficiency, but at least management was awakened to the importance of human resources, which was hitherto neglected.

Taylor published his major work *Principles of Scientific Management* in 1911. During that decade, interest in human conditions at work was accelerated by World War I.

Taylor's ideas were criticised — particularly, his belief in rationalising everything and holding the assumption that human behaviour is based on 'rabble hypothesis'.

But Taylor's ideas are practised even today. introduced during the scientific management era in their efforts to become even more efficient. It is digital Taylorism now.

The scientists who were closely influenced by Taylor were the industrial psychologists Frank and Lillian Gilbreth. This husband-and-wife team pioneered time-and-motion study, a type of applied research designed to classify and streamline the individual movements needed to perform jobs with the intent of finding "the one best way" to perform them. Although this approach appears to be highly mechanical and dehumanising, Gilbreths had great concern for human beings.

Scientific management was criticised by employees and theorists for its overemphasis on task accomplishment and monetary incentives at the cost of respect for human beings. A new

approach that treated workers as human beings was desired.

The Human Relations Movement: Failure of Scientific Management gave birth to the human relations movement which is characterised by heavy emphasis on employee co-operation and morale. Under this, people were to be treated as human beings and not as machines, listening to their needs and problems and involving them in decision making in matters relating to working conditions. There are varied and complex reasons for this human relations position.

Historically, three of the most important contributing factors would be the Great Depression, the labour movement, the results of the now famous Hawthorne Studies.

The stock exchange crash of 1929 in America marked the beginning of the Great Depression. The consequences of the **Depression** were widespread unemployment, decline of purchasing power, collapse of markets, and lowering of the standard of living of people. This phenomenon was worldwide and not confined to America alone.

One positive outcome of the **Depression** was that management began to realise that production alone could not be its major function. Marketing, finance, and personnel were also required in order for a business to survive and grow. The Depression's aftermath of unemployment and insecurity bought to the surface, human problems that managers were now forced to recognise and cope with. Personnel departments were either created or given more emphasis, and most managers now began to develop a new, awakened view of the human aspects of work. Human relations took an increased significance as an indirect, and in some cases, direct result of the

Depression.
Mere creation or strengthening of personnel departments did not improve the plight of workers. Production still preceded people in order of importance in organisations. Decent hours of work, fair wages, and adequate working conditions were sacrificed for more production. There were people like Taylor, Ford, and Sloan who sincerely believed in giving the labour its due share. Such noble hearted souls were few and far between. In general, exploitation of labour continued.

Labour Movement: Continued exploitation made workers realise that their protection lay in their own hands. They formed strong unions and this had the desired effect on management. Management began to place primary emphasis on employee relations, and secondary attention was given to wages, hours of work, and conditions of employment.

Unfortunately, the human relations role also often came about for wrong reasons. In too many cases, it was forced on managers by labour, threatening them with consequences of noncompliance. Ideally, it would have been better, had, human relations developed because of intrinsic motivation of practising managers, to better understand and provide for the welfare of their employees.

Hawthorne Studies: Although the Depression and the labour movement were at least, important indirect causes of the practice of human relations, the Hawthorne studies dominate the academic discussion on historical development. The studies gave academic status to the study of organisational behaviour.

The studies were carried out at the Western Electric Company's Hawthorne works in Cicero, a suburb of Chicago, and are closely linked with the name of Elton Mayo. As Professor of Industrial Research at the Harvard School of Business Administration, Mayo was the person, most responsible for conducting the studies and publicising their significance. Naturally, he is called the 'father of human relations movement'.

Theoretical frameworks of organizational behaviour

Three main theoretical frameworks of organizational behaviour include the cognitive, behaviouristic and social learning frameworks. These form the basis of an organizational behaviour model.

The cognitive approach is based on the expectancy, demand and incentive concepts. Edward Tolman has developed this approach. Behaviouristic framework concentrates on observable behaviours. Ivan Pavlov and John B.Watson evolved the theoretical model of the behaviouristic approach. These theorists described human behaviour on the basis of the connection between stimulus and response.

The social learning approach integrates the thoughts and principles of both the cognitive and behaviouristic frameworks. This approach denotes that behaviour is explained as a constant reciprocal interaction between cognitive, behavioural and environmental determinants. Renowned theorists, Allbert Bandura, Julian Rotter, Salancik and Pfeffer are the main advocates this framework.

In management practices, there are five organisational behaviour models that include Autocratic, Custodial, Supportive, Collegial and System. Autocratic model is power with a managerial orientation of authority. This model evolved during the industrial revolution, in the 1800's and

1900's. This model undertakes that employees have to be directed and motivated to do the work. In this model, management does the thinking, employees follow orders and depend on the manager. Employees are under controlled. Characteristically, employees receive lowest pay for minimum expected performance. Employees may have lower skills. Often, employees work in the authority model because they have to provide maintenance for themselves and their families.

Main drawback is that it leads to micro management. With micro management, managers control daily operations of employees. Managers control time and processes, they put their needs above those of employees, they insist on complicated approval processes for even the smallest things and closely monitor all results. Autocratic model and micromanagement results in low employee morale, poor decision-making and high turnover. This model can be beneficial in crisis situations, or with short-term employees (Newstrom).

Custodial is economic resources with a managerial orientation of money. In the decade of 1800's, employers understood that personnel can give better performance if their basic needs are more satisfied. In this model, employees emphasize on economic rewards. They may be reasonable content, but may not be highly motivated just inactively supportive. Organization that embrace the custodial approach have a lower staff throughput. However, employees do not give their best performance. The custodial model is a good foundation for organizations to grow to the next approach.

Supportive model is leadership with the managerial orientation of support. Studies were conducted for this model in the decades of done 1920's and 1930's. Personnel are more interested because their status and recognition needs are better met as compared to other models. A supportive manager helps employees solve problems and complete their work.

Collegial model is corporation with the managerial orientation of team work. In this model, organisation develops a feeling of partnership with employees. The environment is open and people participate. The collegial model is beneficial for creative work such as marketing or communications or in thinking environments.

System Model: This model is currently developed in which people want more than money, job security and cooperative teams. The system model focuses on identifying developing and managing the strengths within employees.

Limitations of Organizational Behavior:

1. **Behavioral bias:** It further causes dependence, dis-contentment, indiscipline, and irresponsibility.
2. **Law of diminishing returns:** It says that beyond a certain point, there is a decline in output even after each additional good or positive factor.
3. **Unethical practices and manipulation of people:** Knowledge of motivation and communication acquired can be used to exploit subordinates in an Organization by the manipulative managers.